



DEPARTMENT OF THE INTERIOR  
INFORMATION SERVICE

*office files*  
7/19/55

FISH AND WILDLIFE SERVICE

For Release JULY 19, 1955

SURVEY TO PROBE FISHING CRAFT INSURANCE PROBLEMS

A nationwide survey aimed at bringing about lower insurance rates for domestic fishing craft by reducing losses was announced today by Secretary of the Interior Douglas McKay.

The survey will be conducted by Boston University's Bureau of Business Research under the supervision of the Fish and Wildlife Service. It is the latest in a series of projects made possible by the Saltonstall-Kennedy Act—designed to aid the American fishing industry through research and development.

Preliminary work is now under way by virtue of a Government contract whereby \$50,000 was made available to the university on June 30 for operations to extend over a period of 18 months. Personal interviews with insurance people will reveal premium incomes, claim payments, expenses, and profit or loss. Interviews with vessel owners will bring forth information on loss experiences.

Some of the more important questions to be asked in the survey are:

What are the effects of present conditions in the insurance field upon the economic situation in the fishing industry?

What is the frequency and severity of losses?

What relation do present expenditures for safety have to total cost of operation?

Why have many domestic insurance companies withdrawn from the field?

What are the problems of safety equipment and safety education in the fishing industry and can insurance costs be reduced by safety work?

What role can labor unions play in the solution of the problem?

Is there a need for new and expanded insurance programs?

Has there been (and is there still) a reluctance on the part of fishing craft owners to install safety equipment and establish safety rules?

While the scope of the survey has been determined by the Fish and Wildlife Service, the actual operations will be administered by James W. Kelley, Director of the University's Bureau of Business Research, Professor Warner C. Danforth of the Bureau (directly in charge of the work), and Professor R. H. Blanchard of Columbia University who will serve as a special consultant.

The basic purpose of the Saltonstall-Kennedy Act, enacted in the 83d Congress and signed into law by President Eisenhower last year, is "to promote the free flow of domestically produced fishery products in commerce." Designed to strengthen the American fishing industry as a whole, the legislation provides that an amount equal to 30 percent of duties collected under the customs laws on fishery products shall be transferred annually for three years from the Department of Agriculture to the Department of the Interior. Expenditures for any one year may not exceed \$3,000,000.

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